

Shareholder Information

- **Business year** From April 1 to March 31 next year
- **Record date** March 31
* If necessary, the dates will be determined otherwise by a prior announcement.
- **Record date for year-end dividend** March 31
- **Record date for interim dividend** September 30
- **Agent to manage shareholders registry** Mitsubishi UFJ Trust and Banking Corporation
- **Business handling location of agent to manage shareholders registry** Mitsubishi UFJ Trust and Banking Corporation
3-6-3, Fushimi-cho, Chuo-ku, Osaka 541-8502, Japan
Tel. 0120-094-777 (Toll free number)
- **Distributing agent** All nationwide branches of Mitsubishi UFJ Trust and Banking Corporation
- **Number of shares in one trading unit** 100 shares
- **Public notice** Public notices of the Company shall be given by electronic notification
<http://www.asahipretec.com/ir/>



Interim Business Report for 2006

From April 1, 2006 to September 30, 2006



ASAHI PRETEC CORP.

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Printed in Japan



I would like to express my sincere appreciation to all of our shareholders for the continuing support to Asahi Pretec.

When Asahi Pretec Group embarked on achieving the goal set forth in our fourth medium term business plan, the Japanese economy during the consolidated first half under review had been gradually expanding, and the prices of materials including crude oil and gold remained high. Under these circumstances, Asahi Pretec Group could lay a steady stepping stone toward further expansion in the future, while the earnings of the Group almost doubled compared with the same period last year.

We believe the main reason for the improvement in our business performance is based on the increase in the collected volume of raw materials for precious metals in the precious metal recycling business and the rise in the prices of precious metals. In each of the following areas; electronic materials, dental materials, and jewelry processing/manufacturing, the collected volume of raw materials for precious metals exceeded the level of the previous year.

In order to pave the way for the future, the Company has enhanced production facilities in preparation for the increase in the collected volume of raw materials for precious metals. Also, we made the liaison office in Korea into a locally incorporated subsidiary and expanded the base of overseas business operation.

Correspondingly, in the environmental protection business, the Company has been making steady

growth as well. The Company has been making an effort to differentiate itself in the competitive environmental protection market. One of these efforts is to actively pursue accreditation in accordance with the evaluation standard for the disposal industry's improvement which commenced from the current fiscal year.

While the Company's business undergoes these changes, in accordance with our profit distribution policy, and as a token of our gratitude towards the ongoing support to us by all of our shareholders, we have decided to pay an interim dividend of ¥30 per share, which is ¥10 higher than the originally forecasted dividend.

In the current fiscal year, we aim to continue to extend our record-high profits, with a sales target of ¥82 billion, ¥8.2 billion in operating income, and ¥4.9 billion in net income on a consolidated basis.

We continue to ask for all of our shareholders' understanding and support to us as we pursue these goals in the future.



Mitsuharu Terayama
CEO & COO

(1) Basic Management Policies

Our management philosophies are "social contribution," "corporate permanence" and "respect for humanity." The Asahi Pretec Group practices management that is designed to continuously improve corporate value, while simultaneously pursuing safety and growth. Since our establishment in 1952, we have been achieving steady growth in both the precious metal recycling and environmental protection businesses by developing new business areas in a rapidly changing operating environment. We will continue to strive to develop our businesses by contributing to the creation of a recycling society in multifarious areas, while focusing on our relationship with all stakeholders. For this purpose, we will emphasize the creation of new businesses from a medium- and long-term perspective, the reinforcement of the risk management system and the comprehensive improvement of management efficiency.

(2) Basic Policy of Profit Distribution

Asahi Pretec recognizes that by enhancing our corporate value through the maintenance of stable profitability and further growth we can achieve our basic policy of meeting the expectations of our shareholders through the distribution of dividends. At the same time, we believe that bolstering retained earnings is important as we prepare to invest in growth areas and for future business development.

In accordance with these Basic Policies, we have decided to pay an interim dividend of ¥30 per share, which is ¥10 higher than the originally forecasted dividend of ¥20 per share.

(3) Medium and Long-Term Management Strategies

In our fourth medium-term management plan (from April 2006 to March 2009), the Asahi Pretec Group aims for business expansion with balance between profitability and growth potential while maintaining current growth rate under the slogan of "Challenge 100 billion, On a New Stage". The management targets of the final year ending March 2009 are as follows; however, please note that these targets have might be revised later on.

Consolidated net sales	¥100 billion (¥88 billion for existing and peripheral businesses and ¥12 billion for new businesses)
Consolidated operating income	¥7.5 billion
Dividend on equity ratio	3.6%

The management targets above are based on assumptions that we believe at this time to be reasonable, and actual results may differ from our forecasts. The main factors behind such a difference may include the following.

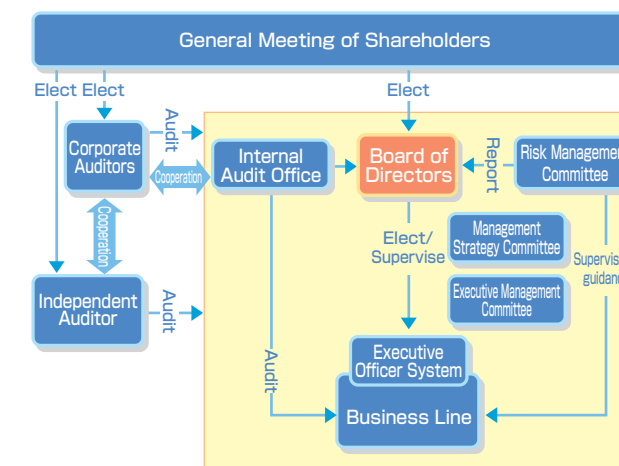
- Structural changes in demand for precious and rare metals for recycling due to the economic cycle and technological innovations
- Changes in the prices of precious and rare metals due to

- significant changes in the market prices of precious metals and the foreign exchange rate
- Unexpected changes in laws and regulations related to the environment and the relationship with residents in local communities
- Progress with merger and acquisitions and business alliances and their success or failure

(4) Basic Concept and Implementation of Initiatives Concerning Corporate Governance

① Basic Concept of Corporate Governance

To achieve persistent growth and expansion while fulfilling our social responsibility as a public company, we are promoting the development of a senior management structure and improving our business execution system to respond rapidly to changes in the operating environment, while maintaining a focus on compliance. Set out below is the corporate governance chart.



② Initiatives in Corporate Governance

(Board of Directors)
The Board of Directors of Asahi Pretec comprises inside directors and strictly supervises the execution of business operations primarily carried out by executive officers. The Board of Directors also discusses and decides important matters such as management plans and the budget. In principle, ordinary meetings of the Board of Directors are held eight times a year, with extraordinary meetings held as necessary.

(Management Strategy Committee)
The Management Strategy Committee comprises directors who concurrently serve as executive officers and heads of related divisions. The Committee discusses and decides issues quickly and flexibly, such as matters related to new businesses and investments and loans. Even if important issues are to be decided by the Board of Directors, they are discussed in the Management Strategy Committee first to enhance the discussions required for strategic decision making.

(Executive Management Committee)

The Executive Management Committee comprises mainly directors who are concurrently corporate officers and other corporate officers. The Committee discusses issues such as the progress of business plans and initiatives to execute policies and strategies decided by the Board of Directors and the Management Strategy Committee.

(Corporate Auditors and the Board of Corporate Auditors)

Asahi Pretec employs a corporate auditor system. The number of corporate auditors is four, three of whom are outside auditors (two lawyers and one certified public accountant). They attend meetings of the Board of Directors, visit offices and plants for audits, and hold sessions to report the results of audits by the independent auditor. There is no relationship of special interest between the Company and the outside auditors. In addition, corporate auditors and the Internal Audit Office, which was established in March 2006, exchange information frequently as they work together to reinforce the internal control system.

(Independent Auditor)

Previously, Asahi Pretec assigned ChuoAoyama PricewaterhouseCoopers* as its independent auditor, but from July 2006, Ernst & Young Shin Nihon is assigned as an independent auditor to carry out accounting audits of the Company.

③ Development of Internal Control System

The Board of Directors not only makes a decision on basic policies, plans and strategies of the management, matters stipulated by the laws and regulations, and other important matters related to the management, it also supervises the operations of the Asahi Pretec Group.

We believe that Corporate Auditors form an independent force and play a role in corporate governance by attending meeting of the Board of Directors. In line with this belief, our Corporate Auditors conduct audits on the execution of business in general. Ernst & Young ShinNihon, as the independent auditor, presents opinion on the financial statements of Asahi Pretec from standpoint of an independent auditor.

In addition, Asahi Pretec also conducts an internal audit on all Group companies through the internal audit office in a comprehensive and planned manner to promote appropriate administration, improvement and efficiency of their businesses.

④ Development of Risk Management Systems

We have established a Risk Management Committee as a Group-wide organ to control potential risks underlying the business execution process and operational structure of the Asahi Pretec Group. The Risk Management Committee identifies, evaluates, and responds to risks that relate to our business operations with the CSR Enforcement Department as its administrative arm. Through these risk management systems, we will prevent risks from materializing, while building up our compliance function.

(5) Financial Review

Business Results

Overall, Japanese economy during the consolidated first half under review continued to recover favorably against backdrop of higher corporate earnings, including higher private capital investment, improvement of employment situation as well as an increase in personal consumption etc. Nevertheless, it appears that we cannot be optimistic about the prospects of Japanese economy in considering soaring material price including crude oil, rising interest-rates following the end of the BOJ's zero-rate policy, and concern over downturn in the United States economy.

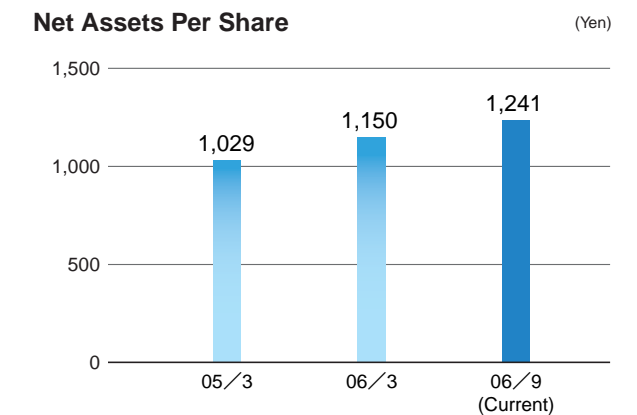
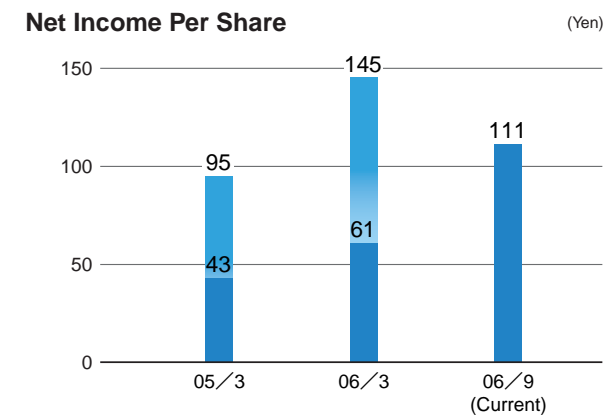
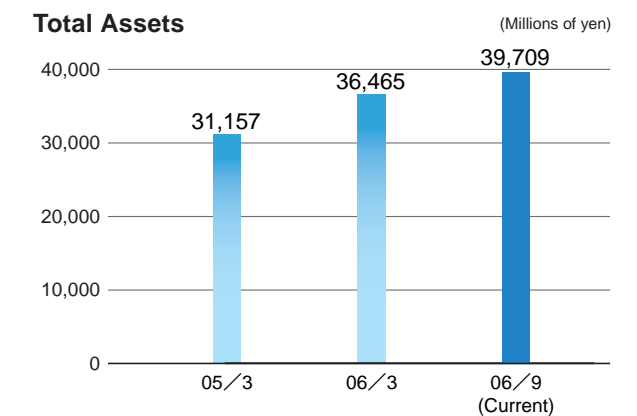
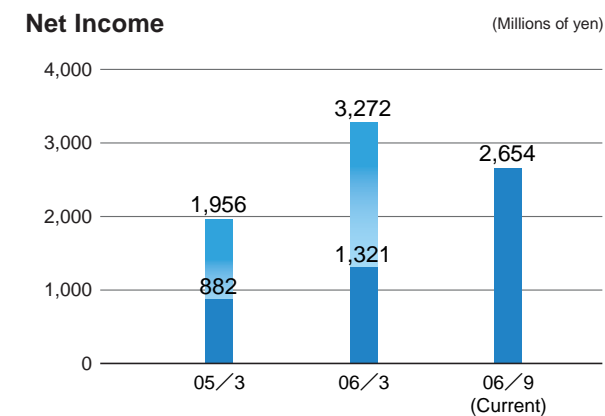
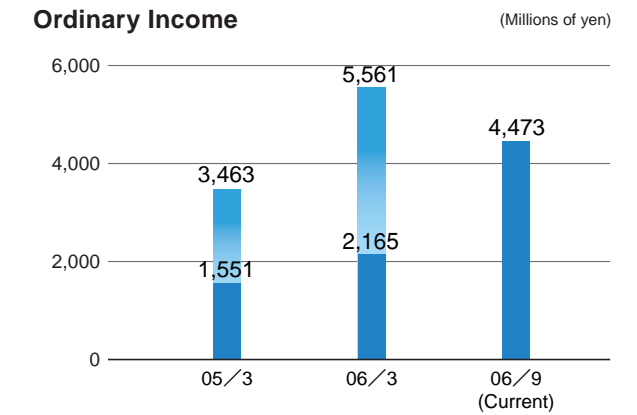
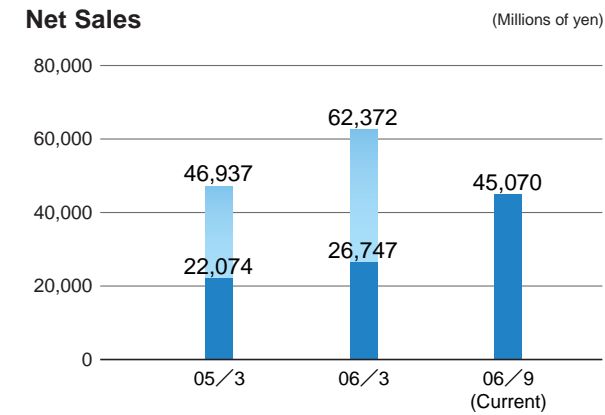
Under such economic situation, the Asahi Pretec Group not only stabilized and boosted profitability of individual business areas and expanded its market share in its existing business, but also promoted the development and expansion of new business areas. In addition, in September 2006, we obtained corporate status for the liaison office in Korea in order to respond the expansion and diversification of the Group's business in Korea, as well as enabling as direct dealings with Korean customers. We expect this transition will make a great contribution to the international business development of the precious metal recycling and environmental protection businesses in the future.

In the precious metal recycling business, the collected volume of raw materials for recycling increased than the same period last year for our efforts to maintain existing customers and cultivate new customers in electronic materials bases. In dental materials, as the supply of dental materials for recycling remained solid, our market share increased, while the collected volume of raw materials for precious metals exceeded the level of the previous year. In jewelry processing and manufacturing, the volume of raw materials for precious metals increased than the same period last year, driven by the improvement of personal consumption economic recovery and higher prices for precious metals. The average unit sales price of precious metals, such as gold, silver, palladium, and platinum rose, except for indium, year-on-year's average.

In the environmental protection business, the treated volume of waste solutions of photosensitive materials and the collected volume of silver content were lower than the levels of year earlier, impacted by the the proliferation of digital cameras. In contrast we handled a greater volume of waste reagents and waste liquid emitted from plants and research laboratories. In addition, the result of the consolidated subsidiaries, Sansho Co., Ltd., Nihon Chemitech Co., Ltd., Iyotec Co., Ltd., and Nishiki Kosan Co., Ltd. were also firm, these contributed to the expansion of environmental protection business and the creation of synergy effects.

As a result of the above, consolidated sales for the first half under review amounted to ¥45,070 million. Looking at by segment, the precious metal recycling business achieved net sales of ¥38,844 million, while the environmental protection business produced a result of ¥6,225 million. In terms of profit, consolidated operating income came to ¥4,469 million, consolidated ordinary income stood at ¥4,473, and consolidated net income amounted to ¥2,654 million.

■ Interim ■ Full-term



Balance Sheet

(Thousands of yen)

	September 30, 2006	September 30, 2005	March 31, 2006		September 30, 2006	September 30, 2005	March 31, 2006
ASSETS				LIABILITIES			
Current assets	19,212,303	11,874,579	16,194,982	Current liabilities	9,752,269	5,724,318	8,565,113
Cash and cash equivalents	1,160,235	2,197,263	1,584,724	Notes and accounts payable - trade	2,339,677	2,145,076	3,000,233
Notes and accounts receivable	3,361,841	2,521,713	3,731,781	Short-term loans	3,550,000	850,000	1,650,000
Inventories	13,971,330	6,634,688	10,128,458	Current portion of long-term debt	215,080	533,614	468,118
Deferred tax assets	427,644	303,670	443,138	Notes and accounts payable - other	889,656	544,963	896,194
Other current assets	296,890	221,085	313,168	Accrued income taxes	1,725,158	842,618	1,601,352
Less: allowance for doubtful accounts	△ 5,638	△ 3,842	△ 6,288	Accrued bonuses	588,554	501,024	537,981
Fixed assets	20,496,912	20,198,897	20,270,181	Accrued directors' bonuses	12,500	—	20,000
Tangible assets	19,760,374	19,385,561	19,475,566	Other current liabilities	431,641	307,020	391,232
Buildings and structures	6,306,638	6,201,277	6,382,968	Long-term liabilities	322,963	721,912	452,421
Machinery and carriers	3,299,051	3,540,769	3,415,810	Long-term debt	35,170	250,250	45,710
Land	9,106,168	8,763,133	8,910,208	Accrued retirement benefits	81,177	82,092	55,476
Construction in progress	696,215	443,008	376,826	Accrued directors' retirement benefits	—	161,125	161,125
Other tangible assets	352,300	437,373	389,752	Deferred tax liabilities	126,292	111,202	126,348
Intangible assets	353,009	372,116	335,994	Consolidation adjustment	—	117,242	63,762
Investment securities	13,450	21,714	23,093	Negative goodwill	80,324	—	—
Deferred tax assets	45,555	97,655	92,447	Total liabilities	10,075,233	6,446,230	9,017,535
Other investments and other assets	333,555	328,822	350,238	MINORITY INTERESTS			
Less: allowance for doubtful accounts	△ 9,031	△ 6,972	△ 7,159	Minority interests	—	23,278	25,523
Total assets	39,709,215	32,073,477	36,465,163	SHAREHOLDERS' EQUITY			
				Common stock	—	4,480,817	4,480,817
				Capital surplus	—	6,054,118	6,054,118
				Retained earnings	—	15,852,735	17,323,607
				Unrealized gain on securities	—	6,195	8,145
				Foreign currency translation adjustments	—	△ 33,324	△ 10,844
				Less: treasury stock	—	△ 756,575	△ 433,740
				Total shareholders' equity	—	25,603,968	27,422,104
				Total liabilities, minority interests and shareholders' equity	—	32,073,477	36,465,163
				NET ASSETS			
				Shareholders' equity	29,619,786	—	—
				Common stock	4,480,817	—	—
				Capital surplus	6,054,118	—	—
				Retained earnings	19,496,595	—	—
				Treasury stock	△ 411,745	—	—
				Valuation and translation adjustments	△ 13,500	—	—
				Valuation difference on available-for-sale securities	3,804	—	—
				Deferred gains or losses on hedges	△ 2,761	—	—
				Translation adjustments	△ 14,543	—	—
				Minority interests	27,696	—	—
				Total net assets	29,633,982	—	—
				Total liabilities and net assets	39,709,215	—	—

Point 1

Increase in Inventories

Improvement in earnings and expansion of the customer base especially in electronics area attributed to increase in collected volume of precious metal materials. As a result, inventory increased by ¥3,843 million year-on-year. The production lead-time remained at the same level as in the previous year by maintaining and enhancing its capacity.

Statements of income

(Thousands of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2005	Year ended March 31, 2006
Net sales	45,070,037	26,747,004	62,372,950
Cost of sales	38,967,321	23,155,519	53,827,891
Gross profit	6,102,715	3,591,485	8,545,059
Selling, general and administrative expenses	1,633,458	1,400,659	2,981,755
Operating income	4,469,257	2,190,825	5,563,303
Non-operating profit	17,965	26,036	69,715
Non-operating expenses	13,382	51,559	71,593
Ordinary income	4,473,840	2,165,303	5,561,426
Extraordinary income	11,326	5,220	6,017
Extraordinary losses	101,090	42,041	236,019
Net income before tax and other adjustments	4,384,076	2,128,482	5,331,423
Income taxes	1,662,938	796,785	2,156,834
Deferred taxes	64,551	8,441	△ 101,892
Minority interests in earnings of consolidated subsidiaries	2,230	1,524	3,746
Net income	2,654,356	1,321,730	3,272,735

Statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2005	Year ended March 31, 2006
Cash flow from operating activities	△ 627,265	893,558	859,485
Cash flow from investing activities	△ 973,855	△ 1,968,810	△ 2,799,870
Cash flow from financing activities	1,177,422	△ 1,168,431	△ 922,927
Effect of exchange rate changes on cash and cash equivalents	△ 790	5,423	12,514
Increase (decrease) in cash and cash equivalents	△ 424,489	△ 2,238,259	△ 2,850,798
Cash and cash equivalents at the beginning of period	1,584,724	4,435,523	4,435,523
Cash and cash equivalents at the end of period	1,160,235	2,197,263	1,584,724

Statements of Changes in Net Assets

(From April 1, 2006 to September 30, 2006)

(Thousands of yen)

	Shareholders' equity					Valuation and translation adjustments				Minority interest	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	4,480,817	6,054,118	17,323,607	△ 433,740	27,424,803	8,145	—	△ 10,844	△ 2,698	25,523	27,477,628
Changes of items during the period											
Dividends from surplus			△ 476,622		△ 476,622						△ 476,622
Net income			2,654,356		2,654,356						2,654,356
Disposal of treasury stock			△ 4,746	21,995	17,248						17,248
Net changes of items other than shareholders' equity					—	△ 4,341	△ 2,761	△ 3,699	△ 10,802	2,173	△ 8,628
Total changes of items during the period	—	—	2,172,988	21,995	2,194,983	△ 4,341	△ 2,671	△ 3,699	△ 10,802	2,173	2,186,354
Balance at September 30, 2006	4,480,817	6,054,118	19,496,595	△ 411,745	29,619,786	3,804	△ 2,671	△ 14,543	△ 13,500	27,696	29,633,982

Point 2

Increases in Operating Income

In the precious metal recycling business, both collected volume of recyclable materials for precious metal recovery and marketable prices for precious metals such as gold, silver, palladium and platinum showed increases from the previous year. Also, in the environmental protection business, handling volume of waste solutions and waste of reagents emitted from plants and research laboratories rose from a year earlier, while collected volume of silver content as well as treated volume of waste solution of photosensitive material were lower.

Point 3

Cash flow from investing activities

Cash flow from investing activities decreased by ¥973 million mainly due to expansion of facilities both in Fukuoka and Saitama plants.

Balance Sheet

(Thousands of yen)

	September 30, 2006	September 30, 2005	March 31, 2006
ASSETS			
Current assets	18,801,112	11,930,247	15,866,071
Cash and cash equivalents	669,018	1,852,352	1,193,571
Notes receivable	59,992	35,122	49,533
Accounts receivable	2,390,365	1,659,966	2,693,364
Inventories	13,895,753	6,588,705	10,083,303
Short-term loans to affiliate companies	1,155,101	1,314,471	1,191,482
Deferred tax assets	396,299	288,341	408,928
Other current assets	237,781	193,788	249,186
Less: allowance for doubtful accounts	△ 3,200	△ 2,500	△ 3,300
Fixed assets	19,025,810	18,632,313	18,747,254
Tangible assets	15,450,283	15,260,481	15,160,224
Intangible assets	301,372	334,260	297,333
Investments and other assets	3,274,155	3,037,571	3,289,696
Total assets	37,826,923	30,562,561	34,613,325
LIABILITIES			
Current liabilities	9,234,820	5,134,886	7,842,722
Accounts payable - trade	2,140,017	1,959,958	2,742,424
Short-term loans	3,500,000	800,000	1,600,000
Current portion of long-term debt	200,800	502,800	448,800
Accounts payable - other	770,118	450,851	716,923
Accrued income taxes	1,683,598	784,933	1,536,299
Accrued bonuses	551,324	461,164	497,297
Accrued directors' bonuses	12,500	—	20,000
Other current liabilities	376,461	175,178	280,977
Long-term liabilities	72,041	434,920	211,587
Long-term debt	3,000	203,800	6,400
Accrued retirement benefits	69,041	69,995	44,062
Accrued directors' retirement benefits	—	161,125	161,125
Total liabilities	9,306,861	5,569,807	8,054,310
SHAREHOLDERS' EQUITY			
Common stock	—	4,480,817	4,480,817
Capital surplus	—	6,054,118	6,054,118
Retained earnings	—	15,210,096	16,454,048
Unrealized gain on securities	—	4,296	3,770
Less: treasury stock	—	△ 756,575	△ 433,740
Total shareholders' equity	—	24,992,753	26,559,014
Total liabilities and shareholders' equity	—	30,562,561	34,613,325
NET ASSETS			
Shareholders' equity	28,519,510	—	—
Common stock	4,480,817	—	—
Capital surplus	6,054,118	—	—
Retained earnings	18,396,318	—	—
Treasury stock	△ 411,745	—	—
Valuation and translation adjustments	551	—	—
Valuation difference on available-for-sale securities	3,312	—	—
Deferred gains or losses on hedges	△ 2,761	—	—
Total net assets	28,520,061	—	—
Total liabilities and net assets	37,826,923	—	—

Statements of income

(Thousands of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2005	Year ended March 31, 2006
Net sales	41,862,184	24,397,382	57,064,431
Cost of sales	36,435,175	21,370,214	49,645,639
Gross profit	5,427,008	3,027,168	7,418,792
Selling, general and administrative expenses	1,241,791	1,094,170	2,370,735
Operating income	4,185,217	1,932,998	5,048,056
Non-operating profit	23,891	17,438	30,727
Non-operating expenses	12,207	48,041	65,796
Ordinary income	4,196,902	1,902,394	5,012,988
Extraordinary income	—	5,076	5,421
Extraordinary losses	89,959	41,761	232,530
Net income before income taxes	4,106,943	1,865,709	4,785,879
Income taxes	1,621,497	744,425	2,061,941
Deferred tax	61,806	2,003	△ 119,429
Net income	2,423,638	1,119,281	2,843,367
Retained earnings brought forward from the previous period	—	1,099,217	1,099,217
Net income on disposal of treasury stock	—	176,170	280,032
Interim dividends	—	—	376,272
Unappropriated retained earnings	—	2,042,328	3,286,280

Total number of authorized shares 86,000,000 shares

Total number of shares outstanding 24,169,563 shares

The Company executed 1.5 for 1 stock split on October 1, 2006. As a result, number of authorized shares after stock split increased to 129,000,000 shares, and total number of shares outstanding increased to 36,254,344 shares.

Number of shares in one trading unit 100 shares

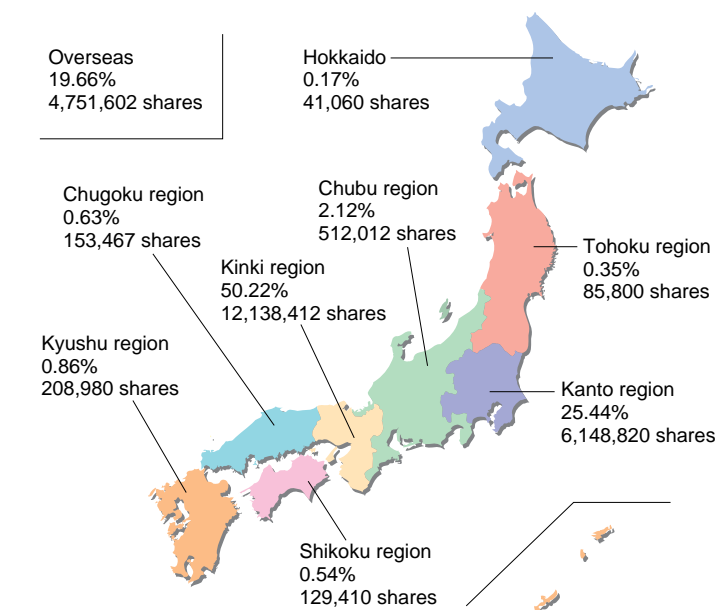
Number of shareholders 7,692

Principal shareholders

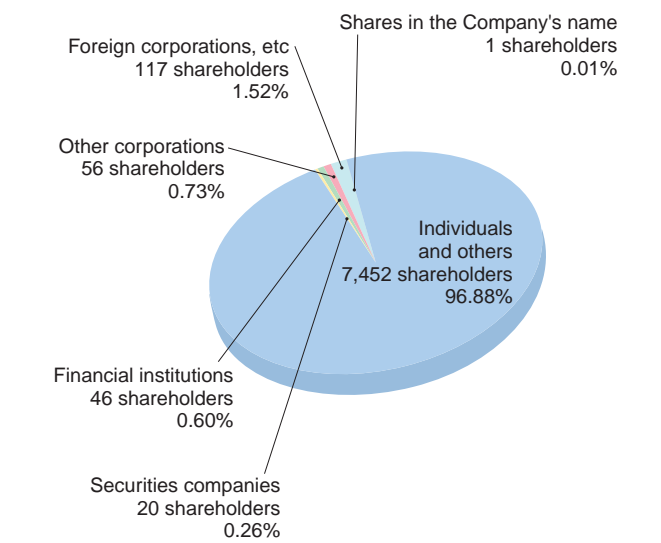
Name	Number of shares held (thousands of shares)	Percentage of shares held (%)
Mitsuharu Terayama	2,468	10.21
Masamichi Terayama	2,168	8.97
Japan Trustee Services Bank, Ltd. (Trust account)	1,073	4.44
The Master Trust Bank of Japan, Ltd. (Trust account)	844	3.49
Sachiko Hanai	597	2.47
Junichi Mitsuzono	518	2.15
Asahi Pretec Employees Shareholding	414	1.72

※ Asahi Pretec holds 317 thousands of shares of treasury stock. Treasury stock does not have a voting right.

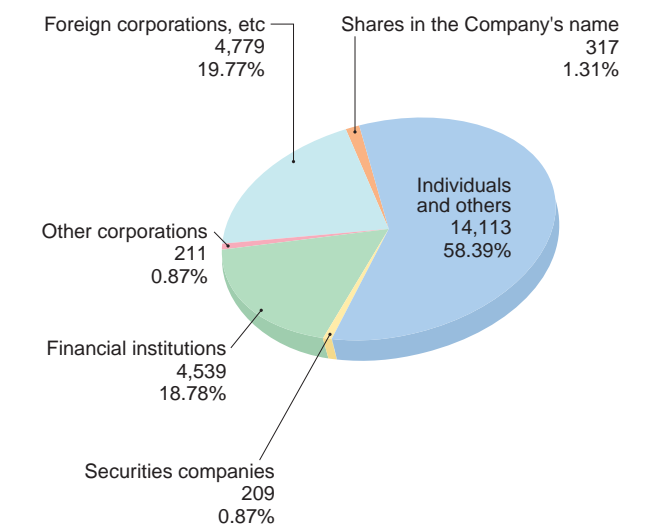
Shareholding by Geographic Area



Shareholding by Shareholder (thousands of shares)



Shareholding by Number of Shares (thousands of shares)



Statements of Changes in Net Assets (From April 1, 2006 to September 30, 2006)

(Thousands of yen)

	Shareholders' equity						Valuation and translation adjustments			Total net assets	
	Common stock	Retained earnings	Legal reserve	Other retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at March 31, 2006	4,480,817	6,054,118	228,417	12,939,350	3,286,280	△ 433,740	26,555,244	3,770	—	3,770	26,559,014
Changes of items during the period	—	—	—	—	—	—	—	—	—	—	—
Liquidation of special depreciation liability reserve	—	—	—	△ 37,567	37,567	—	—	—	—	—	—
Saving of a general reserve	—	—	—	1,000,000	△ 1,000,000	—	—	—	—	—	—
Dividends from surplus	—	—	—	—	△ 476,622	△ 476,622	—	—	—	—	△ 476,622
Net income	—	—	—	—	2,423,638	2,423,638	—	—	—	—	2,423,638
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	△ 457	△ 2,761	△ 3,218	△ 3,218
Total changes of items during the period	—	—	—	962,432	979,837	21,995	1,964,265	△ 457	△ 2,761	△ 3,218	1,961,046
Balance at September 30, 2006	4,480,817	6,054,118	228,417	13,901,782	4,266,118	△ 411,745	28,519,510	3,312	△ 2,761	551	28,520,061

Corporate name	ASAHI PRETEC CORP.	Board of Directors, Executive Officers and Corporate Auditors	
Founded	July 1952	CEO & COO	Mitsuharu Terayama
Capital	¥ 4,480 million	Director and Senior Executive Officer	Yoshikatsu Takeuchi
Head Office	Nissei Sannomiya Bldg., 4-4-17 Kano-cho, Chuo-ku, Kobe, Japan	Director and Executive Officer	Katsunori Shimasaki
Number of employees	715 (As of September 30, 2006)	Director and Executive Officer	Noboru Akahane
Business lines	Recycling and sales of precious & rare metals Industrial waste treatment	Director and Executive Officer	Tomoya Higashiura
Subsidiaries	Nihon Chemitech Co., Ltd. Sansho Co., Ltd. Shioiri Kenzai Co., Ltd. Iyotec Co., Ltd. Nishiki Kosan Co., Ltd. Asahi G&S SDN. BHD. (Malaysia) Shanghai Asahipretec Co., Ltd. Asahipretec Korea Co., Ltd.	Executive Officers	Kiyoto Magoori Masaki Hirano Seiichi Akeno Kuniaki Gondo
		Standing Corporate Auditor	Masami Inoue
		Corporate Auditors	Teigo Kobayashi * Kazuhiko Tokumine * Sumiaki Ariumi *

Note: Names marked by * indicate outside auditors stipulated under the provisions of Article 2-16 of the Corporation Law.

Business Network

Branch	Tokyo Branch	Bases with ISO 14001
Research Laboratory	Technocenter (Kobe)	Head Office, Sendai, Kita-Kanto, Shizuoka, Kobe, Shikoku, Fukuoka, Technical Research Center
Plant	Saitama, Shizuoka, Amagasaki, Kobe, Ehime, Kita-Kyushu, Fukuoka	Base with ISO 9001
Recycling Center	Amagasaki	Technical Research Center
Office	Sapporo, Aomori, Sendai, Niigata, Kita-Kanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Osaka, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kagoshima, Okinawa	Hauling Business Permission
		47 prefectures and 56 government ordinance cities
		Disposal Business Permission
		12 prefectures and 8 government ordinance cities

Established a Korean subsidiary in Seoul to accelerate business in Korea

In January 2006, Asahi Pretec established a liaison office in Seoul, for the purpose of supporting the business activities in Korea. In September 2006, we established Asahipretec Korea Co., Ltd, a locally incorporated subsidiary in order to address the expansion and diversification of our business activities in Korea. In the precious metal recycling business, Asahi Pretec has been concentrating our efforts on global business development mainly in the South-East Asia area. Following two other subsidiaries, in Shanghai and Penang, Malaysia, this subsidiary in Seoul will be the third overseas base of the Company. In the coming years, we strive to meet a wide variety of customer's demands and provide high value-added services, taking advantage of these overseas business networks.

Groundbreaking Ceremony for the new Fukuoka Plant

In order to further reinforce its precious metal recycling capacity, Asahi Pretec has commenced the construction of the new plant on its business premises in Fukuoka. In the growing electronic industry material market, we see the needs of our customers, for not only the increase of production capacities but also higher production quality. In order to ensure quick response to these consumer needs, we have decided to construct our new plant. On July 4th, 2006, the groundbreaking ceremony was successfully completed, blessed with clear weather after the thunderstorm that arrived at dawn and cleared just before the ceremony. Aiming for start-up of operation by next spring, the construction schedule is very tight. However, our priority is to promote the principle of safety-first for people.



Nihon Chemitech Co., Ltd. (Kawaguchi Plant) and Sansho Co., Ltd., acquired ISO14001

Our subsidiaries, Nihon Chemitech Co., Ltd. (Kawaguchi Plant) and Sansho Co., Ltd., acquired ISO14001 certificates in February and September, respectively. Asahi Pretec Corp. is already certified with ISO14001 at eight business establishments, and with ISO9001 at our Technocenter. Asahi Pretec was accredited as a quality waste management firm in Yokohama-city, Osaka-city and Okayama Prefecture that meet the evaluation standard for the disposal industry's improvement enforced by the Ministry of the Environment on April 1, 2005. As a corporation engaged in environmental protection, Asahi Pretec will continue to pursue further accreditation in this standard.